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Annex

EXTRACT FROM THE REPORT OF THE COUNCIL OF FAO ON ITS
ONE HUNDRED AND SEVENTH SESSION

ACTIVITIES OF FAO AND WFP

Sustainable development

FAO cooperation with the Commission on Sustainable
Development (CSD)

25. The Council expressed its satisfaction in the manner by which the Organization was discharging its responsibilities as Task Manager for chapters 10, 11, 13 and 14 of the United Nations Conference on Environment and Development's (UNCED's) Agenda 21, and particularly its efforts in ensuring wide consultation in the preparation of reports for the review to be made by the Commission on Sustainable Development (CSD) of these sectoral chapters in 1995. The Council agreed that the support to the CSD process of multi-year review of Agenda 21 and the promotion of action to assist countries to move towards sustainable development, constituted an overriding priority in the work of the Organization. The Council reiterated the commitment that the Organization had in assisting in the promotion and implementation of the Rio Summit agreements, in particular in adequately balancing the development imperatives with the environmental protection requirements. It also expressed the hope that the establishment of the new Department of Sustainable Development at FAO would enhance the Organization's capacity to effectively respond to the demands of UNCED follow-up.

26. The Council noted difficulties in the UNCED follow-up process hindering the Organization's desire to make the most effective contribution in support of the CSD in its tasks. The Council noted with concern the lack of adequate financial resources and the reduction of ODA (official development assistance) which could transform the UNCED follow-up into a process in which meetings and reporting would replace concrete action. The Council also noted the proliferation of meetings and initiatives, many of them parallel to those conducted by the CSD and FAO bodies, and the many requests for information and reporting which created heavy demands and an additional workload in the Organization.

27. The Council invited the CSD to seek ways in which sectoral intergovernmental forums could assist in the review of progress and promotion of UNCED agreements, to establish modalities of work which could enable specialized agencies to make a more substantive contribution, and to mobilize financial resources for sustainable development programmes at national and regional level.

28. The Council was informed of the recent meeting of the Chairman of the CSD with the Director-General of FAO, and their mutual interest in finding ways to improve the complementarity of work of FAO in support of the important and complex role of the CSD to monitor the implementation of UNCED agreements.

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29. The Council noted with satisfaction the concrete proposals for action, as contained in CL 107/13-Sup.1, related to the Task Manager reports for the four chapters of Agenda 21 for which FAO was designated as Task Manager, and invited the CSD to examine these proposals and seek the assistance of the Organization in their further elaboration and in the formulation of programmes which addressed critical issues of sustainability and, in particular, hunger, poverty and food insecurity.

30. The Council urged Member Nations to ensure the presence of the agricultural, forestry and fisheries sector in their delegations at the CSD, so that institutions from these sectors could provide substantive policy and technical guidance in the deliberations related to the review of the "Land Cluster" of Agenda 21 in 1995 and the chapter on "Oceans and Living Marine Resources" in 1996. The Council stressed the need to involve the private sector and the non-governmental organization (NGO) community in a consultative process in reviewing and identifying strategic action in the field of sustainable agriculture, forestry and fisheries.

31. The Council requested the Committee on Forestry (COFO) and the Committee on Agriculture (COAG) to follow up on the discussion of the Task Manager reports prepared by FAO, which would take place at the ad hoc Inter-sessional Working Group on Sectoral Issues of the CSD, and on the reports' proposals for action. The views of these Technical Committees should then be conveyed to the third session of the CSD in April 1995 in order to enrich the debate with substantive specialized inputs and to contribute to the definition of initiatives which could move Agenda 21 into concrete action.

The role of FAO in forest sustainable management and
in the UNCED follow-up

32. The Council re-emphasized the importance of the Organization's programmes in forestry and underlined that these played a central role in the post-UNCED process, especially in relation to the implementation of the "Forest Principles" and chapter 11 on "Combating Deforestation" of Agenda 21 for which FAO had assumed the responsibility of Task Manager for the United Nations system in support of the CSD. With regard to FAO/CSD cooperation, the Council expressed satisfaction that FAO had become de facto the main forestry adviser to the CSD and was preparing in that capacity the report of the United Nations Secretary-General on forests.

33. The Council emphasized that FAO/CSD cooperation provided the Organization with the opportunity to demonstrate its capacity for leadership in the rapidly evolving international dialogue on forests through an open interaction with all involved actors, especially Governments, international organizations, non-governmental organizations (NGOs) and the private sector. The Council noted that FAO's leadership role would be further demonstrated by concrete achievements and results. FAO was urged to recognize the role and capacity of other actors in forestry and to seek effective mechanisms for cooperation and a division of labour among them. The Council considered that FAO should reinforce the work carried out at the regional level, including that of its regional

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offices and its regional forestry commissions. Some members urged FAO to continue recognizing the right of indigenous peoples over their forests.

34. The Council welcomed the Director-General's initiative in presenting an "Overall Strategy for FAO Involvement in Post-UNCED Activities in Forestry" and in allocating increased resources to the forestry programmes. It reiterated the need for increased resources for forestry activities, particularly in respect to the capacity to adequately perform its normative functions. In this context, some members underlined the urgency of providing the Forestry Department with the necessary human resources to carry out its extensive tasks. The Council looked forward to a stronger representation of forestry in future programmes of work and budgets.

35. The Council recalled the request of the Conference, at its twenty-seventh session (Rome, 6-24 November 1993), for the Director-General to prepare a report containing concrete proposals for a strengthening of the normative role of FAO in sustainable forest management and its cooperative role in the UNCED follow-up. It considered the Director-General's report prepared in response to this mandate. The Council welcomed proposals for strengthening FAO's role in assisting Member Nations to adjust their forestry policies and to prepare action plans in accordance with the approaches enshrined in the "Forest Principles" and Agenda 21. At the same time, the Council agreed that there was a need for FAO to improve the quality of its forest sector information and analysis, and its dissemination. Some members felt that FAO should make more use of the wealth of data available to it in preparing long-term strategic planning required by policy makers and that it should give more value to potential synergies among its technical departments. The Council recognized the Global Forest Resources Assessment Programme as a key activity, and was pleased to note that additional resources had been allocated to it.

36. The Council also welcomed the intention of the Director-General to support greening of the world by strengthening the Organization's work in afforestation, reforestation and sustainable management of forests and trees.

37. The Council stressed the need for agreed criteria and indicators for sustainable forest management. In this context, the Council expressed appreciation for the Director-General's intention to facilitate their integration and harmonization, and to address any gaps that might be identified. This would be done by drawing upon ongoing initiatives, thus including all types of forests and providing a comprehensive coverage of geographical regions. The Council also stressed that FAO should aim at facilitating the convergence of the various ongoing initiatives by providing technical expertise and the forum for dialogue.

38. The Council reiterated its previous calls for emphasis on national capacity-building. It welcomed the intention of FAO to assist Member Nations in the strengthening and adaptation of institutions to operate effectively in cross-sectoral settings and to promote effective cooperation between forestry administrations, the private sector, NGOs and rural people.

39. The Council was informed of the report of the High-Level Panel of External Experts in Forestry and of the Director-General's decision to prepare for

consideration by the twelfth session of COFO and the meeting of ministers responsible for forestry in March 1995 a comprehensive statement on the "State of the World's Forests", a seminar or workshop on criteria and indicators for sustainable forest management in February 1995, and a paper on the advantages and disadvantages associated with moving towards a legally binding agreement on forests.

40. The Council recognized that the national forestry action plans were the most suitable framework for sustainable forest management at national and global levels, as called for by UNCED. It felt that the revamped concept of the Tropical Forests Action Programme (TFAP), as reflected in the new Operational Guidelines, provided an adequate framework for the implementation of national forestry action plans and allowed for an expansion of the programme to include all types of forests, as already achieved through the Mediterranean Forestry Action Plan (MEDFAP). There was also potential for the application of TFAP principles in countries with economies in transition. In this context, the Council expressed the hope that the Consultative Group on the TFAP framework (CG) be convened as soon as possible.

41. The Council noted that there had been a considerable number of forestry initiatives following UNCED. While these had provided valuable inputs into the international dialogue on forests, the Council stressed the need for harmonization and convergence of the results of these initiatives for effective use by the meeting of ministers and, subsequently, by the CSD for its 1995 review on forests. This provided a major challenge for FAO. The Council considered FAO and the CSD to be the main channels for international initiatives in forestry in close and open cooperation with other agency partners, NGOs and the private sector.

42. The Council expressed high expectations of the outcome of the meeting for the 1995 CSD review on forests, as requested by the twenty-seventh session of the Conference in 1993, and stressed the need for early preparation and distribution of the documents. The Council was reminded that only a few responses to the Director-General's request to Member Nations for suggestions on the agenda of COFO had been received, and it encouraged them to respond. Some members regretted the restrictions in the international trade of tropical timber and other forest products and requested that this issue be included among the items for discussion.

43. It was considered that meetings of ministers responsible for forestry should be held regularly and note was taken of the Director-General's intention to convene such meetings of ministers on the occasion of all future sessions of COFO.



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Item 4 of the provisional agenda*

FINANCIAL RESOURCES AND MECHANISMS

Letter dated 24 February 1995 from the Permanent
Representative of Malaysia to the United Nations
addressed to the Secretary-General

On behalf of the Permanent Missions of Japan and Malaysia to the United Nations, I have the honour to transmit to you the report of the Second Expert Group Meeting on Financial Issues of Agenda 21 (see annex), which was held in Glen Cove, New York from 15 to 17 February 1995. The meeting was jointly organized and sponsored by the Governments of Japan and Malaysia in collaboration with the United Nations Department for Policy Coordination and Sustainable Development and the United Nations Development Programme.

The objective of the initiative undertaken by the sponsors is to facilitate discussions on finance at the Inter-sessional Ad Hoc Open-ended Working Group on Finance of the Commission on Sustainable Development as well as the third session of the Commission.

I would be grateful if you could make arrangements to circulate the attached report as an official document of the Commission on Sustainable Development under item 4 of the agenda for its third session.

(Signed) RAZALI Ismail
Ambassador
Permanent Representative

* E/CN.17/1995/1.

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Annex

REPORT OF THE SECOND EXPERT GROUP MEETING ON FINANCIAL
ISSUES OF AGENDA 21

(Harrison Conference Center, Glen Cove, New York,
15-17 February 1995)

OVERVIEW

1. The Second Expert Group Meeting on Financial Issues of Agenda 21, sponsored by the Governments of Japan and Malaysia in collaboration with the United Nations Department for Policy Coordination and Sustainable Development and the United Nations Development Programme took place in the Harrison Conference Center, Glen Cove, New York from 15 to 17 February 1995. The goal of the meeting was to continue discussions on financial issues of Agenda 21 and sustainable development started during the first such meeting (Kuala Lumpur, Malaysia, 2-4 February 1994), and to provide an input to the upcoming deliberations of the Inter-sessional Ad Hoc Open-ended Working Group on Finance of the United Nations Commission on Sustainable Development (6-9 March 1995).
2. The meeting, attended by 50 experts from Governments, international organizations, research institutions and the private sector, was chaired by Dr. Lin See-Yan of Malaysia.
3. The experts' discussion focused on the urgent need to close the resource gap that is preventing full implementation of Agenda 21. Unless prompt and effective action is taken, this gap will continue to widen as the world economy diverges further and further from the sustainable path.
4. This report does not attempt to reflect all the views and suggestions made and does not represent a negotiated text. It reflects, nevertheless, the general thrust of the discussion. Participants agree that it provides a substantive contribution to future discussions in the Commission on Sustainable Development (CSD) and its Inter-sessional Ad Hoc Open-ended Working Group on Finance.

I. INTERNATIONAL FINANCIAL FLOWS

5. The participants discussed the current and prospective situations related to international financial flows and the role of the Bretton Woods and other international development institutions (collectively, the international financial institutions) in the financing of Agenda 21, with particular attention paid to opportunities to link official development assistance (ODA) and financing by international financial institutions (IFIs) with private capital flows.
6. Considering that issues of financial flows are closely interrelated with issues of debt, trade, and macroeconomic policies, the experts suggested that the CSD should promote an integrated discussion of these issues at an appropriate forum.

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7. The experts emphasized that national sustainable development strategies, recommended by Agenda 21, provide an important vehicle for bringing about practical collaboration among various organizations and institutions engaged in financing sustainable development at the country level.

A. Private capital

8. Private capital is the largest component of total international financial flows, and its share is likely to continue to rise. It accounts for virtually all of the expansion in resource flows to the developing countries in recent years, though it has been concentrated in middle-income countries.

9. The experts noted that private flows are becoming an increasingly important source of financing for many environment-related infrastructure projects in middle-income countries (e.g., waste-water treatment plants). They suggested that such experiences offer valuable case studies for nations wanting to attract such flows.

10. The experts emphasized that regulatory and other mechanisms must be found to ensure that environmental and social impacts need to be taken into account in investment decisions if private flows are to promote sustainable development.

B. Official development assistance

11. ODA is essential for promoting economic growth and sustainable development in developing countries. In particular, it plays a vital role in financing social and environmental costs, as well as satisfying needs in some areas of the world that have a scarcity of domestic resources and inadequate access to foreign capital. The recent decline in ODA flows is of grave concern.

12. To maximize the beneficial effects of scarce ODA resources, the experts suggested that there is a need to increase its role in leveraging additional external and domestic financial resources, through mechanisms such as joint ventures, co-financing, underwriting of country risks and other approaches. They also stressed the importance of continuing efforts to coordinate and harmonize activities across the bilateral and multilateral system to increase the cost-effectiveness of ODA delivery and use.

13. Donor countries need to take steps to build domestic support for higher levels of ODA, for example by communicating more effectively its role in promoting growth, expanding international markets and addressing global environmental problems.

14. The CSD, in performing its mandate to monitor the implementation of financial commitments contained in Agenda 21, should continue to support efforts aimed at reaching the 0.7 per cent target. The experts emphasized that it is now timely for both donor and recipient countries to explore new approaches to ODA, in the CSD context, that increase its effectiveness and thus make more rapid progress towards meeting the accepted United Nations target of 0.7 per cent of GNP.

C. International financial institutions

15. Despite the growing importance of private capital flows, IFIs continue to have a crucial role in financing sustainable development.

16. To ensure coordination of sustainable development efforts at the country level, the experts emphasized that IFIs should seek closer cooperation with national sustainable development councils, which bring together representatives of relevant government agencies and non-governmental constituencies.

17. Furthermore, they stressed that the CSD and the governing bodies of IFIs should strengthen communication and partnership to further international dialogue and action on sustainable development.

18. The experts emphasized that there is now an urgent need for the CSD to invite the governing bodies of IFIs, in particular the Interim and Development Committees, to consider increasing their current activities and financing and ensure that all of them are in support of sustainable development. Specifically, the CSD should encourage IFIs to extend further their efforts beyond incorporating environmental and social components into their projects and activities, by integrating the economic, social and environmental goals of sustainability in their overall financial policies, strategy formulation and priority-setting. A similar approach should apply to the Global Environment Facility (GEF). Furthermore, IDA is a crucial mechanism to support sustainable development of the low-income countries and should be adequately replenished.

II. INNOVATIVE INTERNATIONAL MECHANISMS

19. The discussions focused on the feasibility of applying a global environmental user charge (such as an air transport) and market-based mechanisms (such as tradeable CO₂ permits and joint implementation), bearing in mind that detailed discussion on them had already taken place at the recent Prague Workshop (12-14 January 1995) on the use of economic instruments as effective mechanisms and tools for sustainable development.

A. Environmental user charge on air transport

20. Air transport of passengers and cargo is a key source of environmentally damaging pollution emissions. The experts recognized that a properly designed environmental user charge on this activity, as just one of several possible international environmental user charges, would discourage global environmental damage and would raise funds for environmental protection and remediation activities.

21. The design of such a charge would need to be carefully considered. Ideally, it should be assessed on the quantity of pollution emissions. A second-best but more easily administered option would be to assess fuel consumption. In any event, the charge should not be assessed on either passenger miles or airline revenue.

22. It is important to specify how the charge would be collected and how the revenue it would generate would be distributed and used. One possibility would be to collect it in the countries where air travel originates and to share the revenue between the collecting country and a multilateral fund dedicated to international environmental problems.

23. The experts suggested that the CSD should encourage further study of environmental, economic, legal, administrative and political aspects of this mechanism, with a view to determining its practical feasibility.

B. Internationally tradeable CO₂ permits

24. Internationally tradeable CO₂ permits are a promising mechanism for bringing about cost-effective reductions in emissions of this greenhouse gas and transferring new and additional financial resources to developing countries and countries in transition. The experts noted that experience with existing SO₂ markets in the United States of America is encouraging and should be examined for lessons that could be applied to CO₂ in an international context.

25. The experts suggested that the CSD should encourage further study of such a proposal with a view to the development of a pilot scheme at an appropriate time, to gain experience and provide a framework for further research and development. Such a scheme should involve both industrial and developing countries on a voluntary basis in order to create opportunities for gains from trade and to ensure that developing countries can benefit from these opportunities from the outset.

26. The experts stressed that it would be helpful if Governments could encourage and facilitate the participation in such a scheme by emitters of CO₂, in particular utilities and heavy industries. The experts suggested that schemes could be designed to assist Governments participating in the United Nations Framework Convention on Climate Change to develop and implement effective mechanisms for dealing with climate change.

27. Experience with other traded goods suggests that commodity exchanges and other forms of market infrastructure would play an important role in developing markets for CO₂ permits. The experts suggested that the CSD should encourage the active involvement of such parties in a pilot scheme for CO₂ permits.

C. Joint implementation

28. The expert group considered that joint implementation could provide a bilateral mechanism for developed countries to compensate developing countries and economies in transition for carbon sequestration services or other net reductions in carbon emissions, through transfers of financial resources and/or technology.

29. To ensure that developing countries and economies in transition receive their fair share of the cost savings that utilities and other partners derive from joint implementation activities, the experts suggested that the CSD should encourage Governments to explore such possibilities as: (i) the establishment

of a clearing-house for collecting and disseminating financial and other information on existing and proposed joint implementation activities; (ii) the development of auction systems to increase competition for access to developing countries' carbon services; and (iii) a levy (in effect, a windfall profits tax) on the estimated cost savings by the partner paying the compensation.

III. MOBILIZATION OF DOMESTIC RESOURCES

30. The discussions focused on environmental user charges, environmentally damaging input subsidies and a multilateral consultative process for encouraging domestic policy changes to mobilize domestic financial resources.

A. Environmental user charges and environmentally damaging input subsidies

31. Although external resources are essential, the bulk of resources for the implementation of Agenda 21 must ultimately come from domestic sources. Effluent and emissions charges and other environmental user charges based on the "polluter pays" principle not only mobilize resources, but they also induce consumers and producers to change their behaviour towards more sustainable norms.

32. The experts stressed that for environmental user charges to provide effective incentives to reduce pollution, they should be assessed, in so far as possible, on the amount of pollution discharged, not on industrial output or revenue.

33. The introduction of environmental user charges and related means of "greening" the tax system could provide macroeconomic benefits (a "double dividend") by shifting the tax base away from economically valued activities, such as employment and income, and towards economically damaging activities like pollution.

34. The expert group emphasized that the reduction of environmentally damaging input subsidies (including indirect subsidies represented by unduly low user fees for natural resources) is also an attractive means of mobilizing domestic financial resources, for reasons identical to those for environmental user charges. Global estimates of such subsidies indicate that they are comparable in magnitude on an annual basis to the total domestic resource needs for Agenda 21.

35. The experts suggested that the CSD should promote studies on the environmental, social and economic impacts of these policy measures at current levels and at alternative levels consistent with sustainable development. It should also promote interministerial consultations in national and international forums to discuss the findings and policy implications of these studies.

36. Even in advance of the studies, the CSD should encourage Governments to consider reducing environmentally damaging subsidies and to utilize the potential savings to meet financing requirements for sustainable development.

B. Multilateral consultations on domestic policy changes

37. The experts noted that the concerns about international competitiveness, distributional impacts and other factors frequently hinder unilateral action to reduce environmentally damaging input subsidies and to implement environmental user charges. Multilateral consultations offer a possible means of helping overcome these barriers.

38. They emphasized that such consultations should be flexible and proceed in stages, and they should address selectively sectors and policies that offer particularly promising opportunities for environmental, social and economic gains. Moreover, they should be demand-driven and voluntary, with country involvement being determined by interest in the specific matters under discussion. They could be organized on a subregional, regional or global level, as appropriate.

39. The experts stressed that these consultations should respect the right of countries to set the level of environmental standards. They should also allow countries at differing stages of development to proceed at different speeds in implementing agreed-upon policy changes.

40. The expert group suggested that the CSD, supported by other organizations and financial institutions, should provide leadership in advancing such a process by developing a concrete proposal for further consideration. In this context, the CSD's growing efforts to encourage the voluntary presentation and examination of national experiences in developing and applying national sustainable development strategies can contribute importantly to the identification of, and agreement on, shared national goals that could form the basis for eventually implementing such a process.

IV. A MATRIX APPROACH TO SECTORAL AND CROSS-SECTORAL FINANCE

41. The expert group reiterated that the use of economic instruments and market-based policy reforms on a wide-ranging scale offer the possibility of substantially reducing the financing gap of meeting the goals of Agenda 21 and of complementing the additional financial resources required to achieve sustainable development. Initial estimates indicate that national measures alone could reduce the total funding needs significantly, and national and international measures combined could do so by an even greater amount. Further research is needed to determine this potential in more detail.

42. The discussions focused on the specific economic and financial instruments described in the previous section. There is, however, a wide range of instruments available for meeting the financing needs of the individual sectors and cross-sectoral provisions identified in Agenda 21. There is also a wide range of policy reforms that could make these instruments more effective. Reforms remove the root causes of unsustainable development, thus ensuring that additional financial resources flow into investments that move national economies towards more sustainable paths.

43. Given the broad scope of Agenda 21 and the wide range of economic and financial instruments and policy reforms relevant to it, the experts emphasized

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that there is need for a transparent conceptual framework for structuring discussions on financial aspects of the Agenda. The table (see annex) attempts to present such a framework in matrix form. ^{1/}

44. In the context of the formulation and development of national sustainable development strategies, the group suggested that the CSD should, including through inter-sessional activities, support efforts to quantify the effectiveness and promote the use of these instruments in mobilizing resources and creating incentives for more sustainable consumption and production. These can build on case-studies of existing applications to facilitate exchanges of experience among countries.

45. The experts indicated that the focus of inter-sessional activities should be to highlight the most promising options for particular countries or regions. These options are generally ones that offer both environment and social benefits and tangible economic returns ("win-win" options). The group suggested that the CSD may wish to encourage countries or groups of countries to launch pilot programmes to experiment with these options.

46. Finally, the experts recommended that the CSD should support efforts to consider additional policy-relevant dimensions of the matrix, including: (i) the public and private parties involved in decisions on and implementation of the options; and (ii) the impacts of each option on particular social groups. This process should involve consultations with all the stakeholders concerned.

Notes

^{1/} The matrix presents, in compact and interrelated form, all Agenda 21 issues (each row represents an individual sector or cross-sectoral issue) and the principal financial instruments and policy reforms potentially applicable to each (each column represents a particular instrument or reform). By looking across any row, one can see that there are several financing options for individual sectors and cross-sectoral activities. These options are often complementary. By looking down any column, one can see that individual financing options are typically applicable to more than one sector. The matrix is filled in detail only for those issues which are on the CSD's agenda in 1995. Often, an option that is implemented in one sector has positive spill-over effects in other sectors.

Annex

MATRIX OF FINANCIAL INSTRUMENTS AND POLICY OPTIONS

Sector	External resources		International policy environment		
	ODA	GEF	Debt relief	Trade flows	Private financial flows
Sustainable development	X		Rescheduling Debt for sustainable development swaps	X	BOT
Biodiversity		X	Debt-for-nature swaps	Biodiversity Patent rights	Green funds Venture capital
Forest resources	X	X	Debt-for-nature swaps	Terms of trade	Green funds
Fragile ecosystems	X	X	Debt swaps	Non-resource-based employment	Green funds
Fresh water resources	X	X		More efficient water use	Foreign direct investment
Land resources	X		Debt-for-equity swaps		
Sustainable agriculture	X		Debt-for-sustainable-agriculture swaps	Market access Terms of trade	Foreign direct investment
Atmosphere		X	Debt relief for energy efficiency improvements	More efficient energy use	Foreign direct investment in the energy sector
Oceans		X			
Hazardous waste					
Toxic chemicals					
Solid waste					
Radioactive effects					
Health	X				
Urban environment	X				
Biotechnology				Market access Profit sharing Technology transfers	Venture capital

X: Important and self-explanatory contribution.

Sector	National policy reforms					
	Economic and financial reforms	Property rights	Resource pricing	Subsidy reduction	Taxation	Environmental charges
Sustainable development	Competitive capital markets	Secure property rights	Full-cost pricing	Reduce energy and capital subsidies	Green taxes	Depletion of pollution charges
Biodiversity	Environment funds	Biodiversity patents	Prospecting fees	Reduce land conversion subsidies	Habitat protection subsidy	Deforestation charge
Forest resources	Environment funds	Long-term concessions Bidding	Forest product pricing	Below cost timber sales Conversion subsidies	Forest concession taxes	Deforestation charge
Fragile ecosystems	Environment funds	Communal property rights		X	Differential land use tax	Differential land use charges
Fresh water resources	Municipal bonds	Water rights	User charges	Subsidies for water conservation and irrigation		Sewage and effluent charges
Land resources	X	No titles for land clearing Secure land ownership		Agricultural subsidies Below-cost public land sale/lease	Property taxes Land use taxes Transfer taxes	Impact fees Waste disposal charges
Sustainable agriculture	Removal of interest rate ceilings	Secure land ownership	Water pricing	Water subsidies Agrochemical subsidies	Agrochemical taxes IPM subsidies	
Atmosphere			Energy pricing	Energy subsidies	Energy taxes	Emission charges
Oceans		200-mile EEZs				Effluent charges
Hazardous waste			X	X		Presumptive charges
Toxic chemicals			X	X	Taxes on chemicals	Feedstock charges
Solid waste			X	X		Collection and disposal charges
Radioactive effects						
Health	X					
Urban environment	X				Property taxes Relocation incentives for industry	Pollution charges
Biotechnology	X					

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Sector	Innovative instruments		Policy integration	
	Domestic innovative mechanisms	Global innovative mechanisms	Environment and economy	Domestic and international
Sustainable development	Eco-labelling	Joint implementation		
	Eco funds			
Biodiversity	Bioprospecting fees	Patents		
	Ecotourism fees	Intellectual property rights		
	Scientific tourism fees	TCCs		
Forest resources	Watershed charges	Tradeable forest protection obligations		
	Tradeable reforestation credit	Carbon offsets		
Fragile ecosystems	Relocation incentives	TCCs		
	TDRs			
Fresh water resources	Tradeable water shares	Water trading across borders		
Land resources	Betterment charges			
	Differential land use charges			
Sustainable agriculture	Differential land use charge	International sustainability standards/price premiums		
	Eco-labelling	Carbon offsets		
Atmosphere	Tradeable SO ₂ emission permits	Tradeable CO ₂ permits		
		Carbon offsets		
		Carbon taxes		
		Air travel tax		
Oceans	ITQs	Oil spill bonds		
Hazardous waste				
Toxic chemicals				
Solid waste				
Radioactive effects				
Health				
Urban environment	Betterment charges			
	TDRs			
	Tradeable emission permits, TDQs			
Biotechnology		Bio-prospecting		
		Profit sharing		

TDR: transferable development right; TCC: tradeable conservation credit; ITQ: individual tradeable (fishing) quotas.



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EDUCATION, SCIENCE, TRANSFER OF ENVIRONMENTALLY SOUND
TECHNOLOGIES, COOPERATION AND CAPACITY-BUILDING

Letter dated 22 February 1995 from the Chargé d'affaires
of the Permanent Mission of the Republic of Korea to the
United Nations addressed to the Secretary-General

It gives me great pleasure to transmit herewith to you a copy of the report on the Workshop on the Promotion of Access to and Dissemination of Information on Environmentally Sound Technologies (ESTs). Hosted by the Government of the Republic of Korea, this workshop was held in Seoul from 30 November to 2 December 1994.

The workshop constituted one of the Republic of Korea's contributions to the preparatory process for the third session of the Commission on Sustainable Development and its conclusions and the formulated plan of action concerning information exchange about ESTs would provide a valuable input to the ongoing works of the Commission on Sustainable Development.

I would highly appreciate it if you would arrange for the report to be circulated as an official document of the Commission on Sustainable Development under item 5 of the provisional agenda.

(Signed) Wonil CHO
Chargé d'affaires

* E/CN.17/1995/1.

Annex

REPORT OF THE WORKSHOP ON THE PROMOTION OF ACCESS TO AND DISSEMINATION
OF INFORMATION ON ENVIRONMENTALLY SOUND TECHNOLOGIES, HELD AT SEOUL
FROM 30 NOVEMBER TO 2 DECEMBER 1994*

* Circulated in the language of submission only.

TABLE OF CONTENTS

	<u>Page</u>
Introduction.....	5
Session I	
Usefulness of EST	
Information Networks.....	7
Session II	
Development and Transfer	
of ESTs and Major Constraints	
on EST Information Flow.....	10
Session III	
Enhancing Access to and	
Dissemination of New and	
Available Information on ESTs.....	13
Session IV	
Adoption of the	
Chairman's Summary	
and Plan of Action.....	15
Chairman's Summary.....	16
Seoul Plan of Action.....	19
List of Participants.....	24

Introduction

1. With the concept of sustainable development setting the stage for UNCED in Rio, Agenda 21, the guideline for development towards the 21st century, was adopted by 178 nations from all corners of the world. As stipulated in Chapter 34 of Agenda 21, the utilization of environmentally sound technologies (ESTs) is a critical component of sustainable development.

2. It is acknowledged that there is already a great deal of information on ESTs available, but the sources of this information have not been easily accessible. In this setting, many efforts have been put forth to support and promote the transfer of ESTs. There have been workshops and meetings to address the issues of technology transfer, held in Oslo, Cartagena and New York, in October 1993, November 1993 and February 1994, respectively.

3. These meetings have contributed to laying the foundation for the Seoul Workshop, where it was hoped that a concrete and pragmatic plan of action that would yield timely results could be formulated.

4. The objectives of this Workshop were to:

- review the latest information systems for ESTs, including inventory, database and networking experiences;
- identify the obstacles and opportunities involved in accessing and disseminating information, and seek innovative approaches to transfer, through the experiences of users and suppliers;
- formulate a general strategy, from the perspectives of both users and suppliers, for promoting access to ESTs and ensuring their timely dissemination, while taking into account on-going multilateral negotiations and the need for improving information exchange conditions, including concessional and preferential terms for developing countries; and

- design a pragmatic plan of action to expedite the free flow of ESTs, to be submitted to the 3rd session of the CSD in April 1995.

5. 40 representatives from 19 developing and developed countries, international organizations including UN agencies and OECD, and the private sector, participated in the Workshop, which focused around the following themes:

- the usefulness of EST information networks, and evaluation of current networks in operation;
- developing and developed countries' views on constraints of information access and dissemination; and
- enhancing transfer of new and available information on ESTs.

6. The proceedings of the workshop were enhanced by expert presentations and open discussions on the issues. This report has been prepared by the Ministry of Environment of the Republic of Korea based on the work submitted by the official rapporteurs of the Workshop. The views expressed in the report do not necessarily represent a comprehensive account of the views expressed by all participants, nor do they necessarily reflect the views of the government of the Republic of Korea.

Session I: Usefulness of EST Information Networks

"The speed and effectiveness with which an EST is adopted is dependent upon the ability of the recipient to know why that technology is needed, to understand the technical options available, and to select, assess and implement an appropriate technology."

7. The importance of promoting more awareness about the need for ESTs was addressed. More efforts should be made to catalyze awareness through international, corporate, educational and media efforts.

8. The development of information about ESTs should be demand-driven, not supply-driven. Information is of little use if it does not identify a real needs and capabilities of a prospective technology user, for ESTs must be "tailor made." In this regard, the demand for ESTs must first be established through heightened awareness of benefits associated with implementing ESTs. This being the case, feedback and delivery mechanisms should be established or enhanced to continually assess the types of information needed and the suitable formats for information, through electronic systems, case studies, literature abstracts, bulletins, publications, query response systems, questionnaires, workshops and other forms of networking.

9. Capacity building for assessing environmental conditions must be promoted to ensure key actors will make informed, appropriate decisions when assessing and using ESTs, as information alone will not provide knowledge or skills. Successful performance of a technology depends not only on the hardware itself, but on the management systems, human resources systems, and infrastructures to transfer and manage technology as well.

10. Multiplicity of information access points is needed, rather than "one stop shops" for technology information. Existing information access points should be strengthened to

better serve their target groups, including Chambers of Commerce, trade and industry associations, academic centers, and regional centers of expertise. Networks between related information access points should be created.

11. EST information systems, once developed, must be continuously updated as technologies change, as well as the need for new technologies as regulations and economic priorities change. These activities will necessarily imply recurring costs for maintaining EST information systems.

12. Learning from the successes and failures of others is crucial for selecting an appropriate and effective EST. Experience sharing, through case studies, workshops and networking should be promoted, as they can be quite beneficial for developing countries. More attention should be given to collecting and disseminating these experiences.

13. Since Small and Medium-Sized Industries (SMEs) comprise significant portions of national economies in many developing countries, more efforts are required to provide assistance in understanding, selecting and implementing ESTs in SMEs, from both public and private sectors.

14. Joint technology development based on North-South partnerships should receive more emphasis in the future. In this regard, EST suppliers should be encouraged to take into account the local needs and conditions in developing countries and actively seek partners for joint ventures, licenses, subsidiaries, etc.

15. The UNEP Industry and Environment experience with the transfer of ESTs supports the importance of viewing technology transfer as a three phase process: the awareness creation phase, information assessment phase and implementation phase. Heightened awareness of the socio-economic benefits and needs of ESTs must be more widely understood in order to create a demand for them. Transfer of ESTs requires the ability to obtain and assess information on ESTs, through a wide range of mechanisms. Both the information content and the information

delivery mechanisms must be based on user needs and capabilities. The final phase, technology implementation, involves selecting the technology and putting in place the infrastructure to transfer and manage it. Funding is necessary to support all three phases, and efforts should be made to secure funding from existing sources, including governments, businesses, the UN system, NGOs, etc.

Session II: Development and Transfer of ESTs and Major Constraints on EST Information Flow

"The increasing awareness of the important role that the transfer of ESTs plays in economic growth and international competitiveness has been accompanied by an increased understanding of the complexity of the transfer process. Constraints in technology transfer emerge at all stages of the transfer process and they concern both information and knowledge about technologies, as well as the technologies themselves."

17. ESTs, as defined in Agenda 21, consist of the hardware as well as the capacity and knowledge to effectively and efficiently utilize the hardware. Discussions were directed more towards cleaner technologies to prevent pollution, rather than end-of-pipe devices for treatment, which usually add to production costs without adding to productivity.

18. Constraints to accessing information on ESTs and the ESTs themselves that were addressed during discussions included: high direct costs in combination with lack of resources, capital and financing; barriers related to the proprietary nature of information or technologies; lack of technical and managerial capacities; inability to access appropriate information on ESTs, and; lack of knowledge on the potential contributions of ESTs to development objectives (translating to no demand).

19. While the private sector is the primary developer and user of ESTs, governments must assume a leadership role in creating a demand for ESTs. Full engagement of the private sector, including trade associations, institutes, NGOs, consulting firms, etc., by governments is a prerequisite for effective transfer of information on ESTs and the technologies themselves. Governments should focus more activities on improving information flows in the private sector, especially to SMEs in lesser developed countries which tend to be lacking in basic infrastructures and capabilities, and demonstrate the

environmental benefits as well as cost benefits of utilizing ESTs, in particular clean technologies. Direct interactions between the key agents of transfer in public and private sectors is crucial for effective information and technology transfer.

20. ESTs, especially clean technologies, should be made more financially attractive to developing countries, with an emphasis on SMEs, by enhancing access to capital and external financing for both small and large scale projects, and by facilitating joint venture schemes. Developing countries should also be provided the appropriate information (through information centers, training, demonstrations, etc.) that will clearly illustrate the increased returns on investments, potential cost reductions, and real environmental benefits from employing clean technologies. In addition to financial incentives, the importance of a strong regulatory framework as essential component of creating a demand for clean technologies was emphasized.

21. One of the possible means recommended to address the information needs of developing countries involved the secondment of EST expert teams to work on EST projects by providing the information, capacity building and training, and know-how required for operating, maintaining and servicing ESTs.

22. The process of transfer is not an instant process, as was emphasized in the course of discussions. The appropriate balance of regulation and enforcement, economic incentives, interest in social issues, societal attitude, and community pressure must be achieved. To this end, partnerships and cooperation are indispensable in the transfer process.

23. The important role of technology centers, and need to establish basic criteria for them, were heavily emphasized. Individual countries should be responsible for maintaining national centers that are capable of processing information that will enable them to host and evaluate technologies. In setting the criteria for these centers, the importance of

joint, interlinked efforts was noted to maintain and effectively operate them, since new initiatives for fostering ESTs are constantly emerging.

Session III: Enhancing Access to and Dissemination of New and Available Information on ESTs.

"In developing or improving mechanisms for the transfer of ESTs, technology transfer should be seen as a flexible and adaptable concept that embraces the whole process of accessing, transferring and diffusing technology, and building technological capacity."

24. A strong regulatory framework and enforcement system provide an incentive to acquire ESTs. However, it is important to take into account the high compliance costs that industries in developing countries may have to face. In this regard, technical assistance arrangements and special funds should be given consideration.

25. The concept of environmentally sound technologies rights banks (ESTRBs) was brought up during discussions. The function of an ESTRB is to serve as an intermediary party that would procure proprietary rights to ESTs from industries in developed countries and make them available to industries in developing countries under concessionary terms. This type of transfer mechanism could be particularly useful in developing countries where market-based incentives are insufficient to induce commercial transactions.

26. The nature of Intellectual Property Rights (IPRs) was also identified as an obstacle for accessing proprietary ESTs, and the need to formulate cooperative schemes among countries to enhance access was emphasized, including informal, collaborative arrangements on a bilateral level. An initial point for addressing IPRs could be to focus on information about patents which could facilitate the determination of the status of required technologies and their procurement.

27. The concept and potential role of a "Global Information Infrastructure (GII)" within the context of ESTs was also presented. The proposed GII would integrate regional and national information networks of international organizations,

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governments, and the private sector, as well as sector-specific databases. It is important that even the least developed countries are easily able to access the network, through special provisions such as lower fees, loans, etc.

28. Empirical evidence has shown that lack of appropriate finances is the primary obstacle to accessing ESTs. In this regard, the development and application of innovative financial support mechanisms are therefore indispensable. Some of the measures that were presented included: tradeable pollution permits, international emission taxes, Build-operate-transfer (BOT) mechanisms, and venture capital funding.

29. The important role of SMEs in the transfer of ESTs, especially in developing countries, was continuously emphasized throughout the course of discussions. Results from studies aimed at SMEs indicated that information needs for SMEs were not limited to technologies but included information on related aspects such as legislation, standards, financing markets, etc. When setting up information systems, it was noted that existing national infrastructures must be utilized, as far as feasible, to ensure cost effectiveness and optimal reach.

Session IV: Adoption of the Chairman's Summary and the Seoul Plan of Action.

30. Based on the presentations and discussions of Sessions I, II and III, the participants gathered for the final session to finalize and adopt the Chairman's Summary and the Seoul Plan of Action, which will be submitted to the 3rd session of the CSD in May 1995. The documents are presented as follows.

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Chairman's Summary

1. Presentations and discussions of the Workshop confirmed the increasing importance of information exchange on environmentally sound technologies (ESTs) in the context of improved technology transfer, adoption and policy decision-making. Access to reliable, accurate and updated information on EST alternatives and the dissemination of such information to the users, in particular to users in developing countries, is essential for promoting the use of ESTs and therefore shifting to more resource-efficient, energy-saving and cleaner systems of production.
2. It was generally agreed that the adoption of a regulatory framework was an important precondition for the development and use of ESTs. It was also recognized that the adoption of environmental regulations or standards ought to be accompanied by the provision of economic incentives and institutional capacity building. It was also recognized that regulatory frameworks should take into account local environmental problems and conditions.
3. It was recognized that costs of ESTs and lack of financing are constraints to the transfer and adoption of ESTs, in particular for SMEs. Participants highlighted the importance of applying a mix of financial instruments and mechanisms. In this context it was mentioned that a number of innovative mechanisms have been proposed, such as "build-operate-transfer" (BOT) schemes, venture capital funds, international emissions taxes, tradeable permits and offset arrangements.
4. It was also stressed that better use should be made of existing technology transfer mechanisms and that new approaches be based on cooperation and pragmatism, better mixing of options, and should respond to actual needs and requirements of end-users.

5. The meeting felt that there is a need for promoting environmentally sound technology centers (ESTCs) as an important part of the institution-building process. This promotion should primarily build upon existing national institutions, including research centers. Private sector institutions/centers must be directly involved with, or connected with, these centers. The ESTCs could perform the following functions: awareness building about the need for ESTs; training activities; initiating demonstration projects; providing access to information from various sources; providing regular assessments of user needs; and helping in identification of possibilities for obtaining financial means. Links should also be established between the ESTCs.

6. A number of participants noted that the information being provided about ESTs must accurately reflect the real needs of the target users, i.e. that the information is demand-driven, not supply-driven. Changing regulatory environments, new technological developments, and shifting economic imperatives all contribute to the modification of user needs. To ensure that EST information systems sufficiently address these needs, it was suggested that regular feedback mechanisms be established by the EST information providers to gauge user requirements.

7. Many participants emphasized that a large number of technology information channels exist worldwide (e.g., Chambers of Commerce, industry associations, research centers, international bodies) and that these channels should be strengthened, rather than creating many new channels. A multiplicity of points of access to information should be promoted, provided that they are coordinated and networked sufficiently to provide for efficient approaches and cost-efficiency. Participants felt the need for a consultative mechanism dedicated to enhancing cooperation and consistency between existing and emerging systems for the exchange of EST information.

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8. There is a clearly growing demand for environmental and technology information by small and medium sized enterprises in the developing countries, but a lack of real-time, on-line, current information. Therefore, the information needs of small and medium sized enterprises should receive priority attention in terms of both the contents of information and information delivery systems. Match-making services could contribute to making both suppliers and potential users aware of the existing opportunities for environmentally sound technology transfer and related information exchange.

9. The need for assessing technologies in terms of their environmental soundness was recognized. Therefore, it is essential to build the user's capability to carry out evaluations/assessments of technologies to be introduced or transferred. It was also recognized that assessments needed to be sector or project-specific. However, the development of basic criteria or general guidelines for the evaluation of environmental and safety performance could be important tools in transferring and applying ESTs.

10. Some participants felt that the extension of intellectual property rights (IPRs) protection to new areas might potentially raise problems for the transfer of ESTs, particularly to the more advanced developing countries. In this connection, the need for a better understanding of the implications of the recent developments regarding IPRs was highlighted.

11. Cases presented demonstrated that existing financing institutions sometimes favor large scale investments while ESTs often require tailor-made, small-scale solutions, and pre-feasibility studies, such as energy efficiency studies and environmental audits. In this regard, sector specific technology intermediaries could be a support in providing necessary investments.

12. A number of presentations provided examples of successful "teaming" or partnership arrangements between companies initiated with the support of governments. Participants felt that lessons should be learned from those experiences.

"SEOUL PLAN OF ACTION CONCERNING INFORMATION EXCHANGE ABOUT ENVIRONMENTALLY SOUND TECHNOLOGIES"

Introduction

Pursuant to Decision E/CN 17/1994/L.10 "Transfer of environmentally sound technologies, cooperation and capacity-building" adopted by the Commission on Sustainable Development (CSD) at its second session in 1994, the Government of the Republic of Korea hosted a Workshop on "The Promotion of Access to and Dissemination of Information on Environmentally Sound Technologies" held in Seoul from 30 November to 2 December 1994. The workshop emphasized cleaner technologies in its deliberations. The primary objective of the Workshop was to formulate a plan of action to be submitted to the CSD at its third session in April 1995 for further consideration. Participants of 19 countries and 13 international organizations and institutions attended. By organizing this workshop, the Republic of Korea showed its leadership in promoting EST transfer.

Based on background documentation prepared for the Workshop, the presentations and extensive discussion at the meeting, the Chairman, Assistant Minister Cho of the Republic of Korea, Ministry of Environment, proposed to the workshop that the action plan deal with the following issues:

- promotion of environmentally sound technology centers;
- training and demonstration projects;
- capacity building for technology assessment;
- dissemination of success stories;
- sector specific tasks and intermediary services.

This was agreed and the workshop participants suggest that the CSD consider endorsing the following actions:

1. **Environmentally Sound Technology Centers (ESTCs) can play an important role in the promotion of environmentally sound technologies.**

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Proposed action:

Promote ESTCs, or their equivalent networks, building upon existing national institutions/organizations in countries, including research centers, for example, centers established with the support of UNEP/UNIDO or of bilateral donors. The private sector must be directly involved in or connected with the ESTCs. The ESTCs should communicate with one another. ESTCs also can act as a broker to facilitate business operations.

The ESTCs should perform the following functions:

- building awareness;
- providing regular assessments of user needs;
- training;
- providing access to information from many sources;
- initiating demonstration projects;
- helping to identify financial resources; and
- helping to identify and obtain transfer of public domain ESTs.

Major actors:

All governments, in direct cooperation with the private sector, and (if appropriate) in cooperation with international organizations and financial institutions.

2.a. There is a great deal of information about ESTs available. The sources of this information may not be easily accessible or adequately described.

Proposed action:

Collect and critically describe the sources of information about ESTs, i.e., databases. The results must then be made widely available.

Major actor:

UNEP in consultation with other UN Agencies and governments

2.b. Although a multiplicity of information exchange systems is desirable, there is a risk of their uncoordinated proliferation, including those provided by (or with the support of) the UN system.

Proposed action:

Establish a "consultative mechanism" to enhance cooperation and compatibility between existing and projected systems for exchange of information on ESTs, for example, those operated by - or with the support of - the UN system and under international conventions.

Major actors:

In a first phase - UN agencies, secretariats of conventions, relevant international organizations.

In a second phase - other managers of information exchange systems.

3.a. Developing countries and countries in transition must be assisted in their efforts to assess the technologies considered for introduction or transfer, also with a view to introducing ESTs and preventing the transfer of inappropriate technologies.

Proposed action:

Develop and agree upon basic criteria and guidelines for evaluation of environmental and safety performance building upon already existing work. These guidelines could emphasize transfer of cleaner technologies.

Major actors:

UNEP and relevant intergovernmental bodies.

Proposed action:

3.b. These guidelines, may assist the concerned parties in ensuring that the technologies are appropriate to the goals of sustainable development. The criteria and guidelines should also be used for private sector technology transfers.

Major actors:

Governments, private sector.

4. The dissemination of information about experiences, e.g. success stories and lessons learned, has proven to be beneficial for action in many environmental fields. However, successes and lessons learned are either not well-documented or the reasons for success are "forgotten" shortly after technologies have been implemented.

Proposed action:

Increase activities to collect and disseminate successful EST transfer experiences by sharing of information through, for example, case studies, workshops, and networking activities. Cases could relate to the various "stages" in improving environmental performance, e.g.,

- performing environmental audits;
- better management control of existing plants ("good housekeeping" actions);
- replacement of old equipment with the available pollution preventing technologies;
- development and introduction of new clean processes; and
- economic/financial benefits to be realized by implementation of ESTs.

Major actors:

Private businesses, local and national governments, financial institutions, and international organizations.

5. Intermediaries could identify and acquire rights to relevant ESTs, locate potential users, facilitate licensing arrangements and in conjunction with the ESTCs, or as an integral part of them, provide technical advice.

Proposed action:

In order to meet user needs, in particular those of small and medium-sized enterprises, identify sector-specific technology intermediaries, for example, consultancy firms, relevant trade associations, and/or international/regional financial institutions. In cases where several such intermediaries may be active, a regional or national "hub" could be an efficient approach.

Major actors:

Private businesses, financial institutions, ESTCs.

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OTHER MATTERS

ACC statement to the Commission on Sustainable Development

The Administrative Committee on Coordination (ACC) at its first regular session of 1995 adopted the following statement to the Commission on Sustainable Development:

1. The Administrative Committee on Coordination (ACC) reaffirms its commitment to Agenda 21 and to support for the Commission on Sustainable Development. It wishes to reiterate that new and additional financing remains a critical condition for the successful implementation of Agenda 21. It underscores the need for greater balance between development and environmental aspects in the follow-up processes of the United Nations Conference on Environment and Development (UNCED). ¹/ It welcomes the recent efforts of the Inter-Agency Committee on Sustainable Development (IACSD) in accordance with the conclusions of ACC at its second regular session of 1994, to move from a reporting stage to a more operational and action-oriented approach in the response of the United Nations system to Agenda 21.

2. ACC is actively engaged, through IACSD, in formulating and developing specific proposals for joint programmes and initiatives within the framework of Agenda 21. Specifically, following up on a decision taken by IACSD at its fourth session, UNIDO, in cooperation with the Department for Policy Coordination and Sustainable Development of the United Nations Secretariat, organized a Round Table on Technology Transfer, Cooperation and Capacity-Building, which was held from 6 to 8 February 1995 with the objective of gaining donor country support for inter-agency and intersectoral strategies for the

* E/CN.17/1995/1.

transfer of environmentally sound technologies. Representatives of developing countries, donor Governments, specialized agencies and intergovernmental and non-governmental organizations participated. A forerunner of this initiative is the recently launched UNIDO/UNEP National Cleaner Production Centres Programme, which is currently being introduced in seven developing countries.

3. Another successful joint effort is the World Climate Programme. Led by WMO, UNEP, UNESCO and its Intergovernmental Oceanographic Commission (IOC), FAO, the International Council of Scientific Unions (ICSU) and other relevant organizations are preparing an integrated proposal to Governments for additional funding for the Programme. In addition, in response to chapter 19 of Agenda 21, an Inter-organizational Programme on the Sound Management of Chemicals is being established, with the participation of WHO, UNEP, ILO, FAO, UNIDO and OECD. The agreed memorandum of understanding is currently being circulated for signature. ACC urges all countries, in particular donor countries, to actively support these joint initiatives, which can go far in mobilizing the resources necessary to implement Agenda 21.

4. Additional instances of United Nations system coordination and joint action in the area of sustainable development, discussed at the most recent session of IACSD (1-3 February 1995), include a Global Water Assessment Task Force, a consultative mechanism for information exchange on environmentally sound technologies and system-wide coordination in the implementation of the Programme of Action for the Sustainable Development of Small island Developing States. Furthermore, the system has joined efforts in the development of a core set of indicators for sustainable development.

5. ACC shares the concerns raised by various intergovernmental bodies that the UNCED follow-up process needs to better address the development dimension of Agenda 21. There is also concern that the process might be concentrating excessively on meetings and reporting rather than on concrete achievements at the national level. In this regard, ACC emphasized the importance of United Nations system follow-up to the United Nations Convention to Combat Desertification and Drought for translating Agenda 21 into meaningful action for poverty alleviation and environmental conservation at the local level.

6. Regarding the substantive aspects of the work of the United Nations system in the Commission on Sustainable Development, ACC fully supports the participation of task managers in the Commission itself and its ad hoc working groups and in the inter-sessional activities of the Commission, which is beneficial to both organizations of the United Nations system and Governments. It is expected that new initiatives will strengthen working arrangements among organizations of the United Nations system and both donor and recipient Governments and will lead to additional financial support for the implementation of Agenda 21.

7. The agencies and programmes of the United Nations system recognize the importance of focusing on the formulation of sustainable development strategies at the national level in support of country-driven processes. They have therefore joined efforts to analyse how sectoral strategies related to the mandates of specific agencies can best contribute to and support the overall sustainable development strategies recommended in Agenda 21. These efforts will

give direction to the assistance provided by the United Nations system to Governments in support of national goals and priorities.

8. Issues currently under consideration in the IACSD include the possible streamlining of reporting requirements. ACC welcomes initiatives aimed at:

(a) The streamlining of reporting by Governments to the United Nations system, including reporting in relation to conventions and treaties;

(b) The streamlining of reports to the various governing bodies in relation to the implementation of Agenda 21 or to sustainable development issues at large.

9. ACC is of the opinion that the Commission on Sustainable Development has an important role to play in this field, including with regard to streamlining its own reporting requirements, as the current arrangements seem to overstretch the capacities of both Governments and the United Nations system and carry the risk of duplication. It is felt that the need for an integrated approach at the national level, driven by national priorities, must be the starting-point in a discussion on the streamlining of reporting requirements.

10. In conclusion, it may be stated that the implementation of Agenda 21 has given rise to new and stimulating means of cooperation among organizations of the United Nations system and has also led to new opportunities for direct assistance and collaboration with national Governments, other intergovernmental organizations and non-governmental organizations.

Notes

1/ See also para. 5 of the report of the IACSD on its fourth session (ACC/1994/17).
